

EXHIBIT II

BELL ATLANTIC CORPORATION
1992 LONG-TERM DISABILITY VALUATION

Associates

Summary of Plan Provisions

- | | | |
|----|------------------------|--|
| 1. | Eligibility | Immediate |
| 2. | Benefit levels | 50% of pay, max. \$5,000/month |
| 3. | Elimination period | 12 months |
| 4. | Benefit duration | Life |
| 5. | Offsets | <ul style="list-style-type: none">• Primary Social Security• 100% of accrued pension benefits at date of disablement• Workers' Compensation benefits |
| 6. | Employee contributions | None |

EXHIBIT III

BELL ATLANTIC CORPORATION
1992 LONG-TERM DISABILITY VALUATION

Associates

Actuarial Assumptions

- | | | |
|----|-------------------------------|---|
| 1. | Discount rate for liabilities | 7.75% |
| 2. | Social Security | |
| | - Approval rate | 60% |
| | - Salary scale | 5.25% |
| 3. | Disability incidence rate | 52% of the 1987 Commissioner's Group Disability Table |
| 4. | Disability termination rates | 1987 Commissioner's Group Disability Table adjusted for occupation and industry |
| 5. | Administration expenses | 10% of benefit payments |

**SFAS 112 ADOPTION
DISABILITY PENSION – ASSOCIATE**

COMPANY	Associate Force as of 1/1/93	SFAS 112 1/1/93 Cumulative Effect
New Jersey Bell	11,824	\$7,293,196
Bell of Pennsylvania	12,414	\$7,657,116
Diamond State Telephone	795	\$490,366
C&P of Washington	2,515	\$1,551,284
C&P of Maryland	7,210	\$4,447,221
C&P of Virginia	6,466	\$3,988,312
C&P of West Virginia	2,193	\$1,352,671
Network Services Inc.	3,761	\$2,319,833
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Total	47,178	\$29,100,000
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NOTES:

1. Allocation based upon associate force which is the same methodology used to allocate annual qualified pension cost.

SFAS 112 ADOPTION
DISABILITY PENSION – MANAGEMENT

COMPANY	Gross Pensionable Wages – 1/1/93	SFAS 112 1/1/93 Cumulative Effect
New Jersey Bell	\$142,462,363	\$1,900,383
Bell of Pennsylvania	\$144,597,116	\$1,928,860
Diamond State Telephone	\$7,037,065	\$93,871
C&P of Washington	\$29,025,869	\$387,192
C&P of Maryland	\$71,085,494	\$948,248
C&P of Virginia	\$56,795,998	\$757,633
C&P of West Virginia	\$20,994,476	\$280,057
Network Services Inc.	\$467,901,952	\$6,241,598
Total Regulated	\$939,900,333	\$12,537,841
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Total Non-Regulated	\$4,659,725	\$62,159
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Total BAC	\$944,560,058	\$12,600,000

NOTES:

1. Allocation based upon Gross Pensionable Wages/Valuation Earnings which is the same methodology used to allocate annual qualified pension cost.

SFAS 112 ADOPTION

DISABILITY PENSION – MANAGEMENT

COMPANY	Gross Pensionable Wages – 1/1/93	SFAS 112 1/1/93 Cumulative Effect	1993 Annual Change in Disability Pension Liability
New Jersey Bell	\$142,462,363	\$1,900,383	\$135,742
Bell of Pennsylvania	\$144,597,116	\$1,928,860	\$137,776
Diamond State Telephone	\$7,037,065	\$93,871	\$6,705
C&P of Washington	\$29,025,869	\$387,192	\$27,657
C&P of Maryland	\$71,085,494	\$948,248	\$67,732
C&P of Virginia	\$56,795,998	\$757,633	\$54,117
C&P of West Virginia	\$20,994,476	\$280,057	\$20,004
Network Services Inc.	\$467,901,952	\$6,241,598	\$445,828
Total Regulated	\$939,900,333	\$12,537,841	\$895,560
Bell Atlantic Corp.	\$3,828,248	\$51,067	\$3,648
BA Network Funding	\$327,433	\$4,368	\$312
BA Financial Services	\$446,944	\$5,962	\$426
BA Investments	\$57,100	\$762	\$54
Total Non-Regulated	\$4,659,725	\$62,159	\$4,440
Total BAC	\$944,560,058	\$12,600,000	\$900,000

NOTES:

1. Allocation based upon Gross Pensionable Wages/Valuation Earnings which is the same methodology used to allocate annual qualified pension cost.
2. Disability Pension Liability as of December 31, 1993 estimated at \$13.5 Million.
3. 1993 Change in Disability Pension Liability calculated at \$.9 million (\$13.5M-\$12.6M).
4. Disability Pension Plans covering management employees of the non-regulated companies (BAERP, BABSS, CDSC, BACC) do not have outstanding liabilities as of January 1, 1993 or December 31, 1993.

Gerard C. Mingione, FSA
Vice President

Centre Square East
1500 Market Street
Philadelphia, PA 19102-4799
215 246-6027

Towers Perrin

August 25, 1993

Mr. Ed A. Harron, Jr.
Manager - Defined Benefit Contributions
Bell Atlantic Corporation
1717 Arch Street -- 47th Floor North
Philadelphia, PA 19103-2793

Dear Ed:

FAS 112/DISABILITY PENSIONS

As requested, we have reviewed our earlier estimates for FAS 112 liability with respect to those disability pensions that the company pays "out-of-pocket". These are provided for participants who have 15 years of service at disablement, but are not eligible for a regular pension benefit.

1992 Calculations

Our original estimate for this liability was \$39.7 million at January 1, 1992. This calculation was based upon 933 disabled participants (140 management/793 associates) with \$5.42 million in annual payments. It employs the following assumptions:

- 1.925% annual cost-of-living increases
- PBGC disabled life mortality (non-Social Security recipients)
- other assumptions as per FAS 87 valuations (e.g., 7.75% discount rate).

Note that the PBGC mortality table that we employed is essentially as conservative as the regular Bell Atlantic retiree mortality table -- which presumes a large proportion of retirees at ages 55 and below are disabled. Had we employed the PBGC mortality table for Social Security recipients, or any other disabled life mortality table, we would expect a somewhat smaller liability result -- since these are based on individuals with more severe impairments.

Projections

Working from the \$39.7 million figure, estimates can be developed for successive years, as follows (in \$ millions):

Mr. Ed A. Harron, Jr.
 August 25, 1993
 Page 2.

Towers Perrin

	<u>1992</u>	<u>1993</u>
■ assume liability for new disableds at 10% beginning of year liability (plus 6% for salary increases)	+4.2	+4.4
■ deduct expected benefit payments	-5.4	-5.7
■ add interest at 7.75%	<u>+3.2</u>	<u>+3.4</u>
■ estimated liability at end-of-year	\$41.7	\$43.8

Allocation by Plan

As requested, we have developed an allocation of these liability amounts for BAMPP and BAPP. These results are as follows (in \$ millions):

	<u>BAMPP</u>	<u>BAPP</u>
1/1/92	\$11.8	\$27.9
1/1/93	12.6	29.1
1/1/94	13.5	30.3

* * * * *

We understand that it is the company's intent to add these benefits to the retirement plans at or about year-end. Once this is done, we expect the annual cost of those plans to increase by about \$11-12 million. This is slightly lower than the estimates made last December because of the impact of the existing \$40+ million reserve. The effect on the retirement plans will, of course, vary based on the assumption employed for disabled life mortality.

Please call if we can provide further information.

Sincerely,



GCM:fm

cc: Sherry A. Hessenthaler -- Bell Atlantic Corporation

Bell Atlantic Compensation per Employee
(\$\$ in Thousands)

Exhibit 28-A

	1993 (A)	1993 (B)
1 Salaries & Wages 1\	2,776,925	2,776,925
2 Benefits 2\	1,441,125	1,441,125
3 Postemployment Costs in (2) 3\	<u>152,919</u>	<u>162,039</u>
4 Total Compensation Ln 1 + Ln 2	4,218,049	4,218,049
<hr/>		
5 Average Employees 4\	63,496	63,496
6 Comp. per Emp Ln 4 / Ln 5 * 1000	66,430	66,430
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7 Postemployment benefits as % of Total Compensation Ln 3 / Ln 4	3.63%	3.84%

1\ Salaries & Wages as reported on ARMIS 43-02, Table I-1 - Income Statement Accounts, row 720, col. (ac) with adjustment for Bell Atlantic - NSI amounts and capitalization

2\ Benefits as reported on ARMIS 43-02, Table I-1 - Income Statement Accounts, row 720, col. (ad) with adjustment for Bell Atlantic - NSI amounts, capitalization and SFAS 112 adoption costs. These costs were recorded as a cumulative effect of a change in accounting principals; therefore, they were not reflected as compensation costs in company financial statements.

3\ Company accounting records.

Col A reflects total Bell Atlantic SFAS 112 and associated cash costs.

Col B amount reflects Col A amount and severance costs for which the company did not seek exogenous treatment.

4\ Company subsidiary records

- End of year average of 1992 and 1993 Employees as reflected in ARMIS 43-02 Table I-1-6, row 830, col. (bb), with adjustment for Bell Atlantic - NSI employees.

U.S. Economy Compensation per Employee

	<u>1993</u>
A. Total Compensation (\$ B) *	3,780.4
B. SFAS 112 Amount in (A) (\$ B) **	—
<hr/>	
C. Average Employees (000's) ***	110,726
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D. Comp. per Emp. (\$) [(A)/(C)]	34,142
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E. SFAS 112 as % of Total Comp. [(B)/(A)]	—

Sources:

- * U.S. Department of Commerce, Bureau of Economic Analysis, Survey of Current Business, Table 1.14, July 1994 (Vol. 74, No.7).
- ** Not Available.
- *** U.S. Department of Labor, Bureau of Labor Statistics, total nonagricultural employment (all employees, total non-farm payrolls).

Bell Atlantic Corporation
Postemployment Benefit Plans
Changes Effective 1/1/95

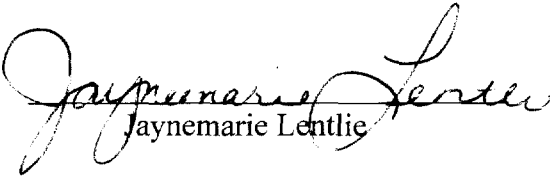
<u>Description</u>	<u>Old Plan</u>	<u>New Plan</u>
Long-Term Disability Benefits For Management Employees		
Coverage Begins	53rd week following start of Short-Term Disability benefits	27th week following start of Short-Term Disability benefits
Monthly Maximum Benefit	\$10,000	\$15,000
Evidence of Insurability	No requirement	Required for increase in LTD coverage to become effective
Coverage Ends	When employee recovers or dies*	When employee has recovered or until age 65
Worker's Compensation Benefits For Management Employees		
Maximum Weeks at 100% Pay	52 weeks or Less, depending on number of years of service	26 weeks or Less, depending on number of years of service**
Maximum Weeks at 50% Pay	As long as employee is disabled	24 weeks or Less, depending on number of years of service

* Under the old plan, LTD benefits could continue beyond age 65 but they were offset by other sources of disability income (e.g., pension payments and Social Security).

** Please note that after the 26th week a management employee may receive benefits under the Management Long Term Disability Plan.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing "Direct Case of Bell Atlantic" was served
this 1th day of January, 1996 by first class mail, postage prepaid, on the parties on the
attached list.


Jaynemarie Lentlie

Robert J. McKee
Peter H. Jacoby
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ITS, Inc. *
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* BY HAND